

## Message Text

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ORIGIN STR-07

INFO OCT-01 NEA-11 IO-13 ISO-00 SSO-00 NSCE-00 ICAE-00  
INRE-00 AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00  
EB-08 FRB-03 H-01 INR-10 INT-05 L-03 LAB-04  
NSAE-00 PA-01 CTME-00 AID-05 SS-15 ITC-01 TRSE-00  
SP-02 SOE-02 OMB-01 DOE-15 /109 R

DRAFTED BY STR: SO'LEARY:MAW  
APPROVED BY STR: SLLANDE  
STATE:JSLATTERY(SUB)

-----037013 130149Z /61

O 130015Z JUN 78  
FM SECSTATE WASHDC  
TO USMISSION GENEVA IMMEDIATE  
AMEMBASSY NEW DELHI IMMEDIATE

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USMTN, PASS LANCE GRAEF FROM STEVE LANDE

E.O. 11652: N/A

TAGS: MTN, ETRD

SUBJECT: TEXT OF U.S. AND INDIAN TROPICAL PRODUCTS  
AGREEMENTS AS OF JUNE 12, 1978.

1. THE TEXTS (AS OF JUNE 12, 1978) OF THE U.S. AND INDIAN  
TROPICAL PRODUCTS LETTERS FOLLOW. PLEASE NOTE THAT IN THE  
U.S. LETTER, PARAGRAPH 4, THE WORD "TRADE" AND THE LAST  
SENTENCE HAVE BEEN OMITTED. THE FIRST SENTENCE OF PARA-  
GRAPH 5 HAS BEEN OMITTED AND THE SECOND SENTENCE REVISED.  
A NEW ADDITIONAL SENTENCE TO PARAGRAPH 5 HAS ALSO BEEN ADDED.  
IN THE INDIAN LETTER, THE WORD "TRADE" HAS BEEN OMITTED  
FROM THE FIRST SENTENCE OF THE LAST PARAGRAPH AND A NEW  
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CONCLUDING SENTENCE HAS BEEN ADDED. ALSO NOTE THAT IN  
LIST "B" OF THE U.S. TROPICAL PRODUCTS OFFER, CASTOR  
OIL IS NO LONGER LISTED UNDER 176.02 BUT IS NOW 176.14  
AND 176.15. THE NEW CONCLUDING SENTENCES FOR BOTH LETTERS  
ARE BEING NEGOTIATED AND MAY BE SUBJECT TO SOME CHANGE.  
WE WILL CABLE ALL CHANGES IMMEDIATELY.

2. UNITED STATES LETTER: DEAR . . . . ,

(1) I HAVE TAKEN NOTE OF YOUR LETTER OF . . . . .

REFERRING TO THE AUTONOMOUS MEASURES TAKEN BY YOUR GOVERNMENT, PARTICULARLY THOSE MEASURES WHICH BENEFIT UNITED

STATES EXPORTS TO INDIA AND THE STATEMENT IN YOUR LETTER THAT THE LIBERALIZATION MENTIONED IN SUB-PARAGRAPHS (I), (III) AND (IV) OF PARAGRAPH 2 AND IN PARAGRAPH 3 COINCIDES WITH THE REQUESTS OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA. I HAVE FURTHER TAKEN NOTE OF THE LETTER NO. 10/46/75-TPD DATED FEBRUARY 24TH 1978, FROM MR. S. P. SHUKLA TO MR. STEPHEN LANDE WHICH EXPLAINS THE SPECIFIC LIBERALIZATION MEASURES ON SPARE PARTS AND ON DRIED, SALTED OR PRESERVED FRUITS, WHICH INCLUDES ALMONDS, REFERRED TO IN YOUR AFOREMENTIONED LETTER.

(2) I HAVE ALSO NOTED THAT SUBJECT TO PERIODIC POLICY REVIEWS AND IN ACCORDANCE WITH THE OBLIGATIONS AND RIGHTS UNDER THE GENERAL AGREEMENT ON TARIFFS AND TRADE, THE GOVERNMENT OF INDIA HOPES TO MAINTAIN THE PROCESS OF LIBERALIZATION CONSISTENT WITH INDIA'S DEVELOPMENT, FINANCIAL AND TRADE NEEDS, FROM WHICH HER MAJOR TRADING PARTNERS HAVE DERIVED AND CAN DERIVE FURTHER BENEFITS. I HOPE THAT THE GOVERNMENT OF INDIA WILL FIND IT POSSIBLE TO GIVE POSITIVE CONSIDERATION TO THE REMAINING REQUESTS LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA WHICH WE WILL RECOGNIZE AS FURTHER CONTRIBUTIONS BY INDIA IN THE MULTILATERAL TRADE NEGOTIATIONS.

(3) I AM PLEASED TO CONFIRM THAT MY GOVERNMENT DESIRES TO IMPLEMENT THE ATTACHED LIST "A" OF THE TROPICAL PRODUCT OFFER BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA BY (DATE), 1978, AND IN ANY CASE WILL IMPLEMENT NOT LATER THAN SIXTY DAYS AFTER THIS EXCHANGE OF LETTERS. THE GOVERNMENT OF THE UNITED STATES OF AMERICA WILL IMPLEMENT THE CONCESSIONS ON THE ATTACHED LIST "B" OF THIS TROPICAL PRODUCT OFFER, UNLESS THERE IS FAILURE TO REACH SATISFACTORY AGREEMENT WITH OTHER COUNTRIES WHO ARE PRINCIPAL OR SUBSTANTIAL SUPPLIERS. IN LIGHT OF THE ABOVE, IF THE GOVERNMENT OF THE UNITED STATES OF AMERICA DOES NOT IMPLEMENT THESE CONCESSIONS WITHIN A REASONABLE PERIOD OF TIME, CONSULTATIONS WILL TAKE PLACE TO DETERMINE ALTERNATIVE CONCESSIONS.

(4) THIS EXCHANGE OF LETTERS WILL CONSTITUTE AN UNDERSTANDING BETWEEN OUR GOVERNMENTS. SUCHAN UNDERSTANDING WILL TERMINATE AT THE TIME THAT TARIFF REDUCTIONS, PURSUANT TO AN OVERALL AGREEMENT ON TARIFFS IN THE MTN, ARE INITIALLY IMPLEMENTED BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA. IT IS EXPECTED THAT THE RESULTS OF THIS UNDERSTANDING WILL BE INCORPORATED INTO SUCH AN

OVERALL MTN AGREEMENT.

(5) IN THE INTERIM, RELYING UPON THE MEASURES CITED IN YOUR LETTER, THE GOVERNMENT OF THE UNITED STATES OF AMERICA WILL PROVIDE MAXIMUM POSSIBLE SECURITY, CONSISTENT WITH THE TIME LIMITS ALLOWED BY U.S. LAW, FOR ITS CONCESSIONS. MY GOVERNMENT RESERVES THE RIGHT TO SEEK FROM YOUR GOVERNMENT ADDITIONAL SECURITY FOR THESE LIBERALIZING MEASURES AT THE MULTILATERAL TRADE NEGOTIATIONS.

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3. INDIAN LETTER: DEAR . . . ,

(1) I AM PLEASED TO INFORM YOU THAT THE GOVERNMENT OF INDIA HAS TAKEN A NUMBER OF AUTONOMOUS MEASURES DURING THE LAST TWO YEARS IN THE DIRECTION OF IMPORT TRADE LIBERALIZATION. THESE FORM A BASIS OF MY GOVERNMENT'S CONTRIBUTION TO THE ATTAINMENT OF THE OVERALL OBJECTIVES OF THE MULTILATERAL TRADE NEGOTIATIONS.

(2) A NUMBER OF THESE MEASURES BENEFITS UNITED STATES EXPORTS TO INDIA SUCH AS THE FOLLOWING:

(I) THE WITHDRAWAL BY THE GOVERNMENT OF INDIA OF THE PREFERENCES EXTENDED TO THE UNITED KINGDOM UNDER THE UNITED KINGDOM-INDIA TRADE AGREEMENT, 1939. THE VALUE OF UNITED STATES EXPORTS, BASED ON 1975-76 STATISTICS, BENEFITTING FROM THIS PERMANENT WITHDRAWAL IN JULY 1977 AMOUNTED TO RS. 311.6 MILLION WHICH REPRESENTED 15.7 PERCENT OF INDIA'S IMPORTS FROM ALL SOURCES.

(II) THE IMPORT POLICY REGARDING MACHINE TOOLS HAS BEEN LIBERALIZED AS DETAILED IN "IMPORT TRADE CONTROL POLICY," VOL. I, APRIL 1977-MARCH 1978. THE VALUE OF UNITED STATES EXPORTS OF MACHINE TOOLS ALONE, BASED ON 1975-76 STATISTICS, THAT WOULD BENEFIT FROM THESE MEASURES WAS OF THE ORDER OF RS. 15.54 MILLION WHICH REPRESENTED ABOUT 7 PERCENT OF OUR TOTAL IMPORTS.

(III) THE IMPORT POLICY FOR SPARE PARTS OF EQUIPMENT FOR GAS AND OIL DRILLING WELLS HAS BEEN SUBSTANTIALLY LIBERALIZED, AS PART OF THE POLICY I; REGARD TO SPARE PARTS IN GENERAL WHICH IS DETAILED IN "IMPORT TRADE CONTROL POLICY", VOL. I, APRIL 1977-MARCH 1978.

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(IV) THE IMPORT POLICY OF ALMONDS HAS BEEN SUBSTAN-

TIALLY LIBERALIZED AS PART OF OUR POLICY IN REGARD TO  
DRIED, SALTED OR PRESERVED FRUITS.

(3) IN ORDER TO RESOLVE CERTAIN PRACTICAL DIFFICULTIES  
THAT HAD ARISEN IN THE FIELD OF MICA EXPORTS FROM INDIA,

THE FLOOR PRICES OF MICA POWDER AND BRIDGE MICA WERE RE-  
DUCED, THE SHARING FORMULA FOR EXPORT OF MICA BELOW SIZE  
NO. 5 WAS ELIMINATED AND THE DIVISION OF MICA SCRAP INTO  
TWO CATEGORIES WAS DISCONTINUED.

(4) THE LIBERALIZATION MENTIONED IN SUB-PARAGRAPH (I),  
(III), AND (IV) OF PARAGRAPH 2 AND IN PARAGRAPH 3 COIN-  
CIDES WITH THE REQUESTS OF THE GOVERNMENT OF THE UNITED  
STATES OF AMERICA. SUBJECT TO PERIODIC POLICY REVIEWS  
AND IN ACCORDANCE WITH THE OBLIGATIONS AND RIGHTS UNDER  
THE GENERAL AGREEMENT ON TARIFFS AND TRADE, WE HOPE TO  
MAINTAIN THE PROCESS OF LIBERALIZATION CONSISTENT WITH  
INDIA'S DEVELOPMENT, FINANCIAL AND TRADE NEEDS, FROM WHICH  
OUR MAJOR TRADING PARTNERS HAVE DERIVED AND CAN DERIVE  
FURTHER BENEFITS.

AS STATED IN YOUR LETTER OF TODAY'S DATE, MY GOVERN-  
MENT REQUESTS YOUR GOVERNMENT AND YOUR GOVERNMENT HAS  
AGREED TO IMPLEMENT THE ATTACHED LISTS OF THE TROPICAL  
PRODUCTS OFFER BY THE GOVERNMENT OF THE UNITED STATES OF  
AMERICA. MY GOVERNMENT FURTHER HOPES YOUR GOVERNMENT WILL  
BIND THESE CONCESSIONS IN THE GENERAL AGREEMENT ON TARIFFS  
AND TRADE.

MY GOVERNMENT CONCURS THAT THIS EXCHANGE OF LETTERS  
WILL CONSTITUTE AN UNDERSTANDING OF THE TYPE DESCRIBED  
IN YOUR LETTER. MY GOVERNMENT ALSO RESERVES THE RIGHT  
TO SEEK FROM YOUR GOVERNMENT ADDITIONAL CREDIT FOR THESE  
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LIBERALIZING MEASURES AT THE MULTILATERAL TRADE NEGOTIA-  
TIONS.

YOURS SINCERELY,

4. LIST "A" OF TROPICAL PRODUCTS OFFER BY THE GOVERN-  
MENT OF THE UNITED STATES OF AMERICA.

TSUS NO	PRODUCT	MFN DUTY	OFFER
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106.60	FROG MEAT, FRESH, CHILLED	2.5 PCT.	FREE OR FROZEN
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147.92	MANGOES, PREPARED OR PRESERVED	3.75CTS/ 1.5CTS/ LB. LB.	
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305.20 JUTE YARNS AND ROVING, 7.5 PCT. 3 PCT.  
SINGLE UNDER 720 YDS.  
A LB.

305.22 JUTE YARNS AND ROVING, 11 PCT. 4.4 PCT.  
SINGLE 720 YDS. OR OVER  
A LB.

305.28 JUTE YARNS AND ROVING, 10 PCT. 4 PCT.  
PLIED, UNDER 720 YDS.  
A LB.

335.50 WOVEN FABRICS 0.2CTS/ 0.08CTS/  
OF JUTE BLEACHED, LB. PLUS LB. PLUS  
COLORED, OR FLAME- 2.5 PCT. 1 PCT.  
RESISTANT

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347.30 NARROW FABRICS, JUTE 14 PCT. 5.6 PCT.  
WEBBING

X360.15 #FLOOR COVERINGS PILE 11 PCT. 8 PCT.  
HAND-INSERTED OR HAND  
KNOTTED VALUED OVER  
66-2/3CTS/ SQ. FT.  
AND NOT OVER 160 KNOTS  
PER SQ. INCH.

360.35 COIR FLOOR COVERINGS, 5CTS/ 2CTS/  
PILE, NOT HAND-INSERTED SQ. FT. SQ. FT.  
OR KNOTTED

385.45 BAGS, SACKS, ETC. 0.2CTS/ FREE  
VEGETABLE FIBERS EXCEPT LB. PLUS  
COTTON 1.5 PCT.

385.95 COIR PILE MATS AND 5CTS/ 2CTS/  
MATTINGS SQ. FT. SQ. FT.

435.70 OPIUM \$3.60/ FREE  
LB.

516.71 MICA, CUT OR STAMPED 11 PCT. 4.4 PCT.  
TO DIMENSIONS NOT OVER  
0.006 INCH THICK.

516.76 MICA, CUT OR STAMPED AND 12.5 PCT. 5 PCT.  
PERFORATED OR INDENTED,  
OVER 0.006 INCH THICK.

516.94 MICA ARTICLES, NSPF. 12.5 PCT. 5 PCT.

THE ABOVE TARIFF REDUCTIONS WILL BE IMPLEMENTED AT THE  
FASTEST RATE PERMISSIBLE UNDER THE UNITED STATES TRADE  
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ACT.

#THE ACTUAL EXTENT AND STAGING OF FURTHER REDUCTIONS WILL  
BE WORKED OUT AS SOON AS POSSIBLE.

5. LIST "B" OF TROPICAL PRODUCTS OFFER BY THE GOVERNMENT  
OF UNITED STATES OF AMERICA.

TSUS NO.	PRODUCT	MFN DUTY	OFFER
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152.58	MANGO PASTE AND PULP	7 PCT.	2.8 PCT.
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176.14	CASTOR OIL, VALUED OVER 1.5CTS/	FREE
20CTS/LB:	HAVING LOVI-	LB.
BOND COLOR VALUES GREATER		
THAN 6 YELLOW AND 0.6 RED.		

176.15	CASTOR OIL, VALUED OVER 1.5CTS/	FREE
20CTS/LB:	OTHER	LB.

315.80 JUTE CORDAGE NOT BLEACHED, 10 PCT. 4 PCT.  
NOT COLORED, ETC. SINGLES  
YARN UNDER 720 YDS. A LB.

THE ABOVE TARIFF REDUCTIONS WILL BE IMPLEMENTED AT THE  
FASTEST RATE PERMISSIBLE UNDER THE UNITED STATES TRADE  
ACT.

6. IN LISTS "A" AND "B" THE ABBREVIATION PCT MEANS PERCENT  
AND THE ABBREVIATION CTS MEANS CENTS. VANCE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 26 sep 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXT, AGREEMENT DRAFT, TROPICAL PRODUCTS, TRADE AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 jun 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
**Drafter:** STR: SO\LEARY:MAW  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** n/a  
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**Office:** ORIGIN STR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
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**Retention:** 0  
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**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TEXT OF U.S. AND INDIAN TROPICAL PRODUCTS AGREEMENTS AS OF JUNE 12, 1978.  
**TAGS:** ETRD, MTN  
**To:** GENEVA NEW DELHI  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/d52e4f7e-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
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